



Timika Shafeek-Horton
Deputy General Counsel

Duke Energy Progress, Inc.
550 South Tryon Street
Charlotte, NC 28202

Mailing Address:
DEC45A / P.O. Box 1321
Charlotte, NC 28201

o: 704.382.6373

f: 980.373.8534

timika.shafeek-horton@duke-energy.com

July 17, 2013

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
P. O. Drawer 11649
Columbia, South Carolina 29211

Dear Mrs. Boyd:

Duke Energy Progress has made a revision to its depreciation study filed with the Commission on November 7, 2012, and corrected on February 22, 2013, in docket 2012-384-E. The revision only impacts the production-related plant and results in a decrease in the annual accrual amount of approximately \$9 million compared to the study previously filed, using December 31, 2010 plant balances. The revision reflects the following two changes:

1. A decrease in the contingency factor used in estimating demolition costs from 20% to 10%, and
2. A change in the escalation index used in estimating future demolition costs. The original study used only one index, the Employment Cost Index – Total Private Compensation (ECI). The revised study uses a composite of two indices, the ECI and the Producer Price Index for Intermediate Materials.

A revised copy of the depreciation study is attached. Duke Energy Progress requests that the Commission approve the revised rates reflected in this study effective April 1, 2013. If you have any questions or concerns, please let me know.

Respectfully submitted,

A handwritten signature in blue ink that reads "Timika Shafeek-Horton".

Timika Shafeek-Horton
Deputy General Counsel

cc: Courtney Edwards, ORS
John Flitter, ORS